THE MINISTER OF POWER, MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF NON-CONVENTIONAL ENERGY SOURCES (SHRI P. R. KUMARAMANGALAM): (a) the main difficulties for development of Small Hydro Power Projects in the North-Eastern States include High Capital Cost due to remote location' and lack of enabling infrastructure, poor law and order in internal/remote areas, high cost of supply of power due to scattered load centres with very low load density and non-availability of matching funds/ department's share for completing the projects.

(b) The Power Finance Corporation has been regularly interacting with the North-Eastern States for the development of Small Hydro Power Projects in the region through workshops, seminars, senior officials meets etc. During the recent senior officials meeting on 18th January, 1999, it was concluded that the region must promote its hydro-electric development and adopt the concept of cost & profit centres and Model Distribution Management (MDM) alongwith a shift towards commercial operation of its Electricity Departments. The Power Finance Corporation is also offering interest subsidy for eligible on-going Hydro Power Projects of the Region under its Accelerated Generation & Supply Programme at 5% below its normal lending rates on the disbursements made during the 9th Five Year Plan.

**Power Generation by Private power projects**

876. SHRI YERRA NARAYANASWAMY: Will the Minister of POWER be pleased to state:

(a) whether Government's attention have been drawn to the news item appearing in the Hindustan Times dated 14.2.1999 captioned "PVT PROJECTS up to 20,000 crores may bypass CEA"if so, the details thereof;

(b) whether the State Governments have been consulted on this proposal;

(c) whether it is a fact that State Government and their Electricity Boards do not have the necessary technical skills to assess mega-power projects; and

(d) if so, the reasons for bypassing the CEA?

THE MINISTER OF POWER, MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF NON-CONVENTIONAL ENERGY SOURCES (SHRI P. R. KUMARAMANGALAM): (a) Yes, Sir.

(b) to (d) The matter is under consideration in consultation with the concerned agencies of Government of India.

**Potential sites for Power Generation in Andhra Pradesh**

877. SHRI YERRA NARAYANASWAMY: Will the Minister of POWER be pleased to state:

(a) whether National Hydel Power Corporation has located any potential sites in Andhra Pradesh for power generation;

(b) if so, the details of such sites;

(c) what is the criteria adopted by NHPC in surveying potential sites in different States;

(d) whether NHPC has not followed any specific guidelines in this regard; and

(e) the steps proposed to formulate guidelines in this regard?

THE MINISTER OF POWER, MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF NON-CONVENTIONAL ENERGY SOURCES (SHRl P. R. KUMARAMANGALAM): (a) and (b) Ministry of Power has proposed to the Government of Andhra Pradesh for the funding and execution of Priyadarshani Jurala Hydroelectric Scheme (6x39.6 MW) by utilising the surplus water

available due to the construction of the dam across Krishna River in Andhra Pradesh.

(c) to (e) NHPC takes up potential projects/sites in different States based on the following considerations:—

(i) consent from the concerned State Government (s) for NHPC to execute this work;

(ii) benefit to several States within and across regions;

(iii) minimum displcement and environmental impact; and

(iv) willingness of the concened State Governments to purchase power.

**Conference of State Ministers for Power**

878. DR. B.B. DUTTA: Will the Minister of POWER be pleased to state:

(a) whether the State Ministers for Power met in the capital recently;

(b) if so, the outcome of the Conference; and

(c) the details of measures contemplated to be taken by Government, in the light of the outcome of the said Conference?

THE MINISTER OF POWER, MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF NON-CONVENTIONAL ENERGY SOURCES (SHRI P.R. KUMARAMANGALAM): (a) Yes, Sir.

(b) and (c) The Conference adopted a plan of action called "Power Reforms Initiative". The measures contemplated in this regard are:

(i) Constitution of State Electricity Regulatory Commissions.

(ii) Drawing up of Power Sector Reform Bill by each State/Union Territory.

(iii) Corporatisation of generating companies, transmission companies and distribution companies.

(iv) Reform of the Distribution Sector.

(v) Setting up of Mega Projects.

(vi) Commercial arrangements for payment for power.

(vii) Secruitisation of outstanding dues of Central Public Sector Undertakings.

(viii) Expeditious development of hydel potential.

(ix) Speedy development of National Power Grid.

(x) Action Plan for Energy Conservation.

(xi) Efforts to increase power generation.

(xii) Rationalisation of Electricity tariff for Railways.

**Limit of IPFIs in Power Projects**

879. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government have fixed a limit of 40% for Indian Public Financial Institutions (IPFIs) in power projects based on indigenous equipments;

(b) if so, whether the State Governments have approached the Central Government for relaxing the limit and to exclude funding from Indian Commercial Banks; and

(c) if so, the action taken or proposed to be taken thereon?

THE MINISTER OF POWER, MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF NON-CONVENTIONAL ENERGY SOURCES (SHRI P.R. KUMARAMANGALAM): (a) The policy announced by the Government in 1991 to encourage greater private participation in the power sector, *inter-alia* stipulated that an amount not exceeding 40% of the total outlay may come from Indian public financial institutions, but the remaining amount should be met from other sources.